GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:463
ANSWERED ON:03.12.2004
DIVERSION OF MNCs FROM NORTH-EASTERN TO NORTHERN REGION
Subba Shri Moni Kumar

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether consequent to the package for economic development of the North Eastern region in 1997, a large number of MNCs had taken steps for industrial investment in the North Eastern Region;

(b) whether following the launch of similar economic packages for States like Jammu & Kashmir, Himachal Pradesh and Uttaranchal these companies have started disinvesting and diverting to these States which are logistically and economically better placed and the intending investors are diverting their investment plans to these States;

(c) whether the Federation of Industries and Commerce and North Eastern Region has lately represented to Government for offering better and more economic terms for investment in the NE Region; and

(d) if so, their demands and the Government`s reaction thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) & (b): Consequent to the announcement of the new North East Industrial Policy (NEIP) on 24th December, 1997 a total of 681 investment proposals have been received from MNCs and domestic industrial units, entailing a capital investment of Rs. 1067.28 crore in the North Eastern Region.

The subsequent packages of fiscal incentives announced for the states of Jammu & Kashmir, Himachal Pradesh and Uttaranchal are a diluted version of the NEIP, 1997.

(c) & (d) : References have been received from various quarters for offering better and more attractive economic terms for investment in the North Eastern Region by way of suitable modifications in the NEIP.